SERVING THE TOTAL FOODSERVICE INDUSTRY

APRIL 22, 1992

RESTAURANTS & INSTITUTIONS

A CAHNERS PUBLICATION

R&I'S 1992 TOP-GROSSING INDEPENDENTS

How To Enhance Poultry Profits

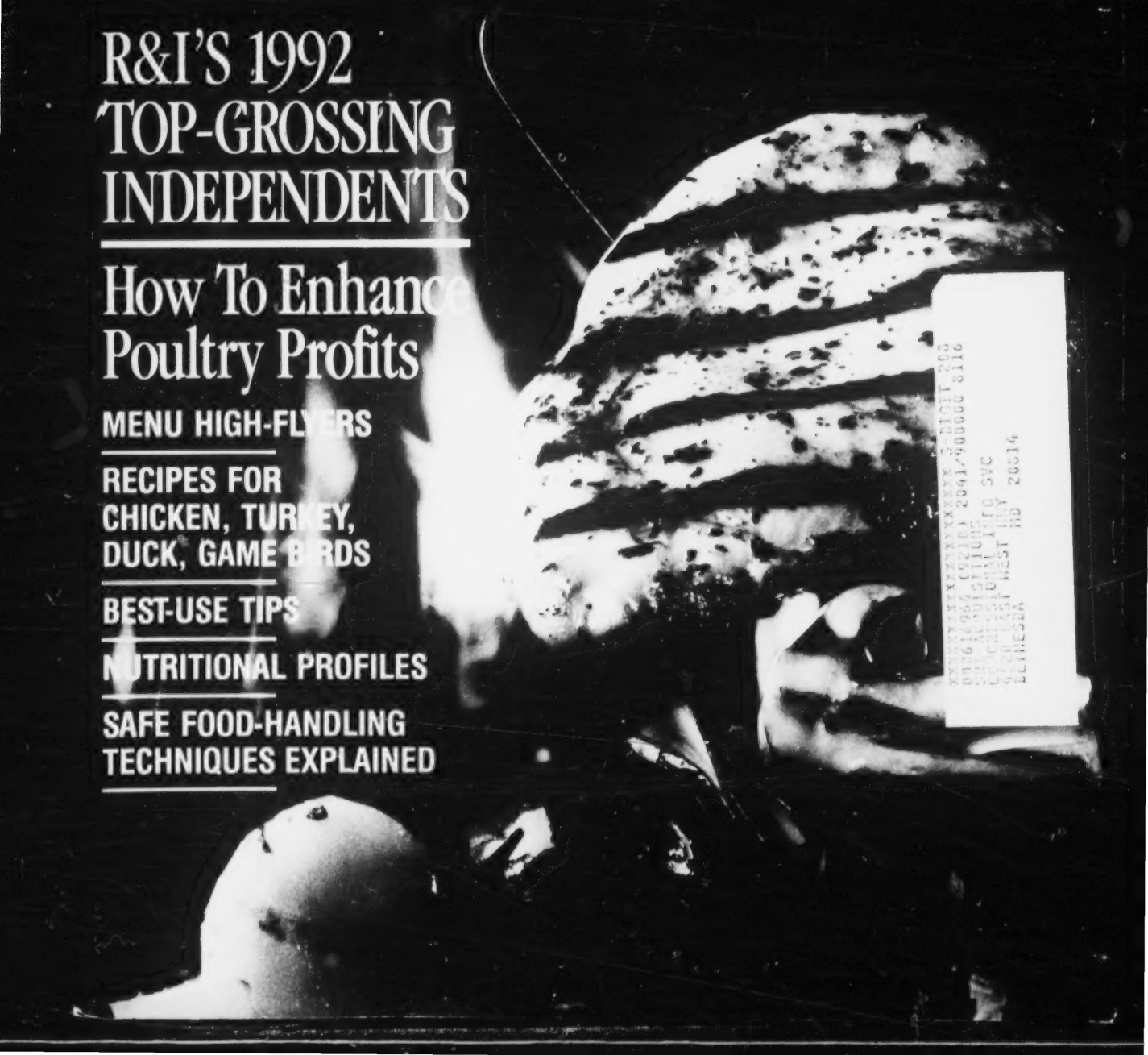
MENU HIGH-FLYERS

RECIPES FOR CHICKEN, TURKEY, DUCK, GAME BIRDS

BEST-USE TIPS

NUTRITIONAL PROFILES

SAFE FOOD-HANDLING TECHNIQUES EXPLAINED



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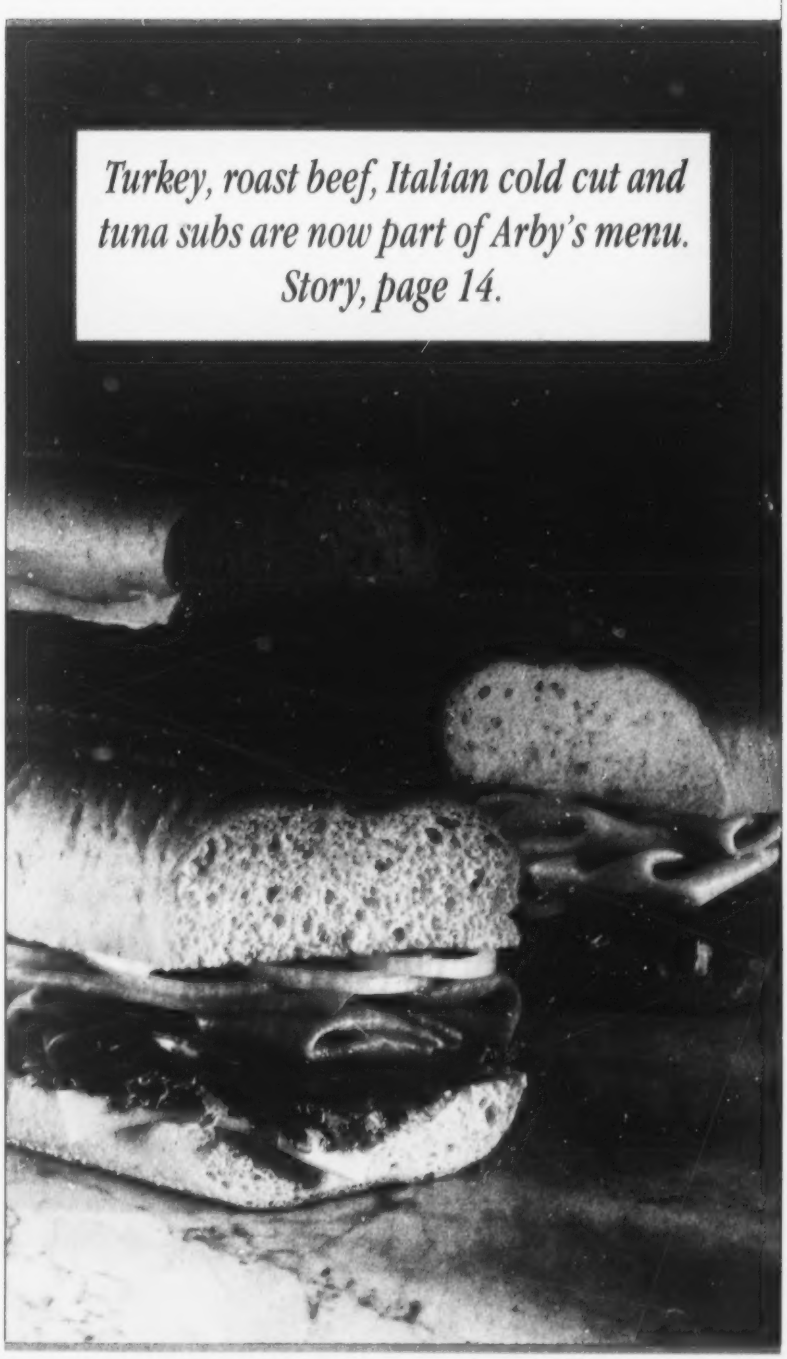


Turkey, roast beef, Italian cold cut and tuna subs are now part of Arby's menu.
Story, page 14.

Arby's expects its submarine sandwiches to lure new, younger customers away from burger chains and into its stores.

Arby's Rolls Sub Sandwiches Chainwide

Arby's, Miami, plans to roll out its new line of submarine sandwiches this month. The subs come in four varieties: roast beef, Italian cold cut, turkey and tuna. They are priced about $2.59 for a 6½-inch sandwich and $3.99 for a 13-inch sandwich.

Arby's tested the subs for about a year prior to the rollout. In test, Italian was the best seller, followed by turkey, roast beef, then tuna, says Lloyd Fritzmeier, president of AFA, Atlanta, which directs the chain's marketing.

McDonald's, Burger King and Hardee's all are testing or have introduced deli-style sandwiches.

Sub sandwiches tend to appeal to a young—18- to 34-year-old—and largely male customer base. Arby's core customers traditionally have been 25 to 49. AFA is suggesting that local marketing cooperatives buy spots on the Fox television network and during sporting events to capture the younger customers. "I think that long term, we expect that a lot of our growth will come from the younger customer," Fritzmeier says. **—R.C.**

Carvel Plans Barrage of Menu Additions

Farmington, Conn.-based Carvel Ice Cream Bakery will roll out an array of new ice-cream desserts in June.

The chain plans to build on its bakery positioning with a selection of fruit-flavored swirl cakes in blueberry, raspberry and strawberry varieties; Baked Alaska, a multilayer, multiflavor ice-cream cake with a dairy-based whipped topping; and Tartufos, ice-cream desserts with creamy, liquid fillings and hard chocolate shells.

The swirl cakes are designed to serve 10 to 12 people; the Baked Alaska and the Tartufos will serve one or two, says Syl Sosnowski, vice president of marketing. Prices are not yet available, he says. **—Brenda McCarthy**

Steak & Ale Uncorks 28% Gain in Wine Sales

Changes to Steak & Ale's wine program have lifted sales 28%, according to Vice President of Research and Development Andrew Revella.

To increase value, Steak & Ale has lowered its bottle prices and shifted its emphasis to selling glasses and small carafes of wine. The chain also has pared its wine list and begun printing recommended wines on the menu under each entree. **—R.C.**

Steak Escape Extends Sandwich Line

Steak Escape, Columbus, Ohio, says it will introduce three sandwiches by fall.

Next month, the 85-unit chain will spotlight "Escape to Mexico," a grilled sirloin sandwich topped with salsa, Cheddar cheese, lettuce, tomato and mayonnaise. In July, it will unveil a Turkey-Bacon-Cheddar sandwich topped with lettuce, tomato and mayonnaise. And in September, it will add a Chicken Cordon Bleu sandwich featuring grilled chicken, ham, Swiss cheese and blue cheese.

Steak Escape specializes in cooked-to-order Philly-style sandwiches. All are available in two sizes, 7- and 12-inch. Prices range from $2.69 to $2.99 for the smaller sandwiches and $5.25 to $5.35 for the larger. **—R.C.**

In Brief:

Bertucci's, Woburn, Mass., says that its new lunchtime offering, "Bertucci Menucci," accounts for about 35% of lunch sales. The item pairs a small specialty pizza with a half-size salad for less than $5. . . . **Ho-Lee-Chow**, Ann Arbor, Mich., is teaming with **I Can't Believe It's Yogurt**, Dallas, to test stores that will deliver both Chinese food and frozen yogurt desserts. . . . **Cucos**, a 33-unit Mexican chain based in New Orleans, says it is rolling out a five-entree "heart healthy" menu to all 13 of its company restaurants. **—R.C.**

LIFE IN THE FAST LANE

Last year, almost one quarter of meals purchased at restaurants were taken home to eat. Another 9% never made it.

% of meals eaten in cars

1985	7.6%
1987	8.2
1989	8.2
1991	8.9

Source: The NPD Group, Park Ridge, Ill.

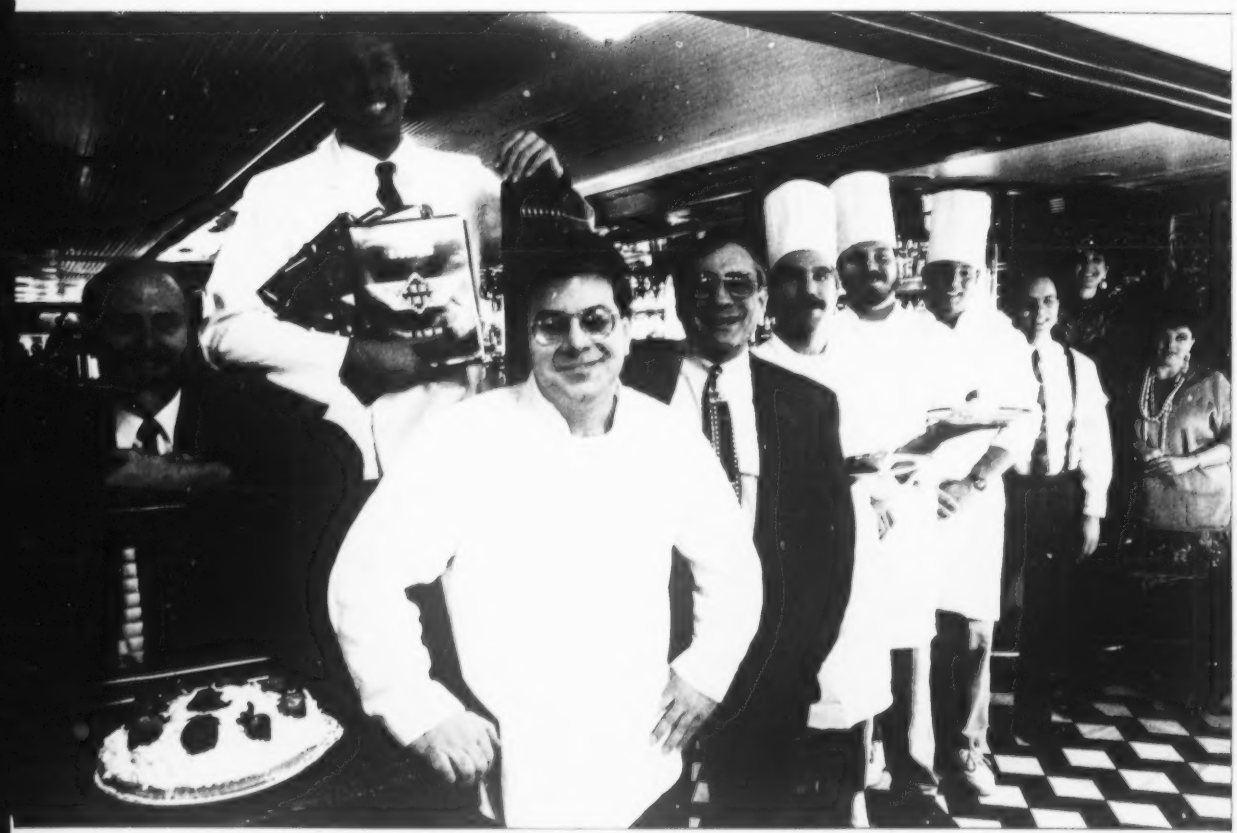
R&I's TOP 100

R&I checks the pulse of America's highest-grossing independent restaurants.

By Jeff Weinstein

During his State of the Union address in January, President Bush acknowledged that the economy was weak and in need of a shot in the arm. He offered ideas and incentive plans to stimulate growth and bolster consumer confidence. To his chagrin, however, he has not been able to implement any of those ideas because he lacks approval from Congress. Despite some signs of a turnaround, the business climate remains lackluster.

The owners of the country's biggest restaurants tend to agree. While operations such as Bob Chinn's Crabhouse, Wheeling, Ill., report that sales increased 12% in 1991, many more report 1% to 10% dips in food and beverage sales. Unlike President Bush, however, these business owners have the power to make changes in reaction to existing economic conditions. And they



The team at the Buckhead Diner, Atlanta: (L to r.) General Manager David Reiley, Waiter Tom Wilson, Chef-Managing Partner Gerry Klaskala, Co-owner Pano Karatassos, Pastry Chef Ray Graves, Sous Chef Casey Halley, Chef Kevin Isella, Manager Andy McCoy, Public Relations Director Elaine LaMontagne, Manager Dawn Deibert.

are doing just that.

Some of the more upscale top independents are adjusting to the trend toward casual dining. Others are concentrating on improving service to instill customer loyalty. And everyone continues to look for new ways to cut costs and improve the bottom line.

Before going into more detail about how high-volume operators are responding to business conditions, let's take a look at the numbers. As in years past, *R&I*'s Top 100 Independents ranking is based on food and beverage sales only. Each restaurant has been open at least 12 months.

A NEW KING OF THE HILL

Overall, sales for the top 100 in 1991 were $848,964 million, down 2.8% from $874,145 in 1990. Most noteworthy, however, is the fact that there is a new name atop *R&I*'s Top 100 Independents ranking. Tavern on the Green, New York, has overtaken the perennial leader, Hilltop Steak House, Saugus, Mass. But bad business didn't depose the king of the hill. To the contrary, owner Frank Giuffrida is expanding the concept, and his new unit in Braintree, Mass., cannibalized 15% of sales from the Saugus operation in 1991.

STATE OF THE INDEPENDENT

Following the four ranking pages, top 100 owners comment on the state of business conditions, cus-

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R&I TOP INDEPENDENTS

1992 rank	Restaurant/city/opened/owner	1991 sales ($ millions)	Seats (incl. banquet)	Dinner check (w/bev.)	Dayparts	People served/year
1	**Tavern on the Green** New York, 1976 Warner LeRoy (LeRoy Adventures Inc.)	$26.065	1,000	43.50	B,L,D	545,000
2	**Rainbow Room** New York, 1934 Joseph Baum & Associates	25.410'	1,200	74.00	B,L,D	381,000
3	**Windows on the World** New York, 1976 Hilton International	25.124	565	48.50	B,L,D	406,152
4	**Hilltop Steak House** Saugus, Mass., 1951 Frank Giuffrida, Jack Swansburg	23.220"	1,300	10.00	L,D	1,754,000
5	**Smith & Wollensky** New York, 1977 Alan Stillman (New York Restaurant Group)	17.867	380	60.00	L,D	367,202
6	**Bob Chinn's Crabhouse** Wheeling, Ill., 1982 Robert Chinn, Marilyn Chinn	14.590	638	24.79	L,D	1,000,000
7	**Phillips Harborplace** Baltimore, 1982 Brice Phillips, Shirley Phillips	14.421	600	18.00	B,L,D	888,000
8	**Gladstone's 4 Fish** Pacific Palisades, Calif., 1981 California Beach Restaurants Inc.	14.282	700	21.00	B,L,D	1,000,000
9	**The Manor** West Orange, N.J., 1957 Harry Knowles & Family	14.039'	1,200	42.00	L,D	333,000
10	**Sparks Steakhouse** New York, 1964 Pat Cetta, Mike Cetta	13.600"	300	60.00	L,D	265,000
11	**Anthony's Pier 4** Boston, 1963 Anthony Athanas & Family	12.500"	650	33.00	L,D	NA
12	**Scoma's Restaurant** San Francisco, 1965 Al Scoma	12.422	360	26.00	L,D	469,687
13	**The "21" Club** New York, 1923 Knoll Intl. Holdings (Marshall Cogan)	12.000	450	65.00	L,D	158,500
14	**The Four Seasons** New York, 1959 Tom Margittai, Paul Kovi	12.000"	400	80.00	L,D	160,00
15	**Spenger's Fish Grotto** Berkeley, Calif., 1890 Frank Spenger Jr., Frank L. Spenger	11.580	700	12.50	B,L,D	850,000
16	**Jerry's Famous Deli** Studio City, Calif., 1978 Isaac Starkman	10.335	295	11.50	B,L,D	1,200,000
17	**Joe's Stone Crab** Miami Beach, Fla., 1913 J. Sawitz-Bass, G. Weiss, S. Sawitz, J. Hershey	10.082	380	29.00	L,D	400,000
18	**The Waterfront** Covington, Ky., 1986 J. Ruby, P. Rose, B. Esiason, C. Collinsworth	9.825	390	35.65	D	149,500
19	**Space Needle Restaurant** Seattle, 1962 Howard S. Wright Family	9.682	240	34.00	B,L,D	383,357
20	**Frankenmuth Bavarian Inn** Frankenmuth, Mich., 1888 William Zehnder Jr. Family	9.423	1,200	10.37	L,D	829,000
21	**Montgomery Inn at the Boathouse** Cincinnati, 1989 Ted Gregory Family	9.385	500	15.00	L,D	775,000
22	**The Lobster House** Cape May, N.J., 1952 Wallace Laudeman, Keith Laudeman	9.274	562	21.00	B,L,D	560,000
23	**The Water Club** New York, 1982 Michael O'Keeffe	9.123	610	55.00	L,D	126,126
24	**Old Original Bookbinders** Philadelphia, 1865 John M. Taxin, John E. Taxin, Albert Taxin	9.100	950	30.00	L,D	182,500
25	**Stars** San Francisco, 1984 Jeremiah Tower	9.000	200	55.00	B,L,D	216,000

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1992 rank	Restaurant/city/opened/owner	1991 sales ($ millions)	Seats (incl. banquet)	Dinner check (w/bev.)	Dayparts	People served/year
26	**Le Cirque** New York, 1974 Sirio Maccioni	$9.000*	125	70.00	L,D	70,000
27	**Rascal House** Miami Beach, Fla., 1954 Norman Stamler, Steve Stamler, Arthur Goodman	8.744	245	9.08	B,L,D	1,500,000
28	**Commander's Palace** New Orleans, 1883 Ella, Dick, John & Dottie Brennan	8.700**	350	42.00	L,D	200,000
29	**Dock's Oyster Bar and Seafood Grill** New York, 1988 Arthur Cutler, Barry Corwin, Howard Levine	8.668	320	32.50	L,D	280,000
30	**Zehnder's of Frankenmuth** Frankenmuth, Mich., 1856 Edwin L. Zehnder	8.652	1,300	11.25	B,L,D	910,000
31	**The Russian Tea Room** New York, 1926 Faith Stewart-Gordon	8.385	325	45.00	L,D	205,700
32	**The Berghoff** Chicago, 1898 Herman and Jan Berghoff	8.370**	700	13.00	L,D	NA
33	**Kelly's Roast Beef** Revere, Mass., 1951 Dorothy McCarthy, Raymond Carey	8.179	0	8.35	L,D	950,000
34	**Gallagher's Steak House** New York, 1937 Jerome Brody	8.100	240	35.00	L,D	250,000
35	**Shaw's Crab House** Chicago, 1984 R. Melman, F. Joast, C. Haskell, R. Wathel	8.056	370	33.00	L,D	281,000
36	**Twin Oaks** Cranston, R.I., 1933 William DeAngelus Jr.	7.641	550	12.50	L,D	500,000
37	**Harry Caray's** Chicago, 1987 HC Management	7.600	175	32.00	L,D	288,800
38	**Canter's** Los Angeles, 1948 Jacqueline Canter	7.600**	450	7.50	B,L,D	1,080,000
39	**Old Ebbitt Grill** Washington, 1856 Stuart Davidson, John Laytham	7.540	350	18.00	B,L,D	546,000
40	**Grand Concourse** Pittsburgh, 1978 C.A. Muer Corp.	7.513	564	30.00	L,D	340,388
41	**Jimmy's Harborside** Boston, 1924 Charles Doulos	7.500	465	25.00	L,D	250,000
42	**Arnaud's** New Orleans, 1918 Archie Casbarian	7.463**	1,000	40.00	L,D	174,000
43	**Harris Ranch** Coalinga, Calif., 1977 John Harris, Carole Harris	7.386	695	18.00	B,L,D	575,915
44	**Cliff House** San Francisco, 1973 Dan Hountalas	7.373	190	23.80	B,L,D	330,000
45	**Bern's Steak House** Tampa, Fla., 1956 Bern Laxer, Gert Laxer	7.200*	320	33.00	D	180,000
46	**Venus de Milo** Swansea, Mass., 1960 Ronald Ferris, Monte Ferris	7.131	3,000	15.00	L,D	400,000
47	**Kowloon** Saugus, Mass., 1960 William Wong, Madeline Wong	7.119	1,200	12.00	L,D	NA
48	**The Angus Barn** Raleigh, N.C., 1960 Alice Eure, Van Eure	7.101	550	33.00	D	215,000
49	**Scoozi** Chicago, 1986 R. Melman, F. Joast, C. Haskell, R. Wattel	7.066	390	21.00	L,D	312,000
50	**Shorebird Beach Broiler** Honolulu,, 1979 John McManus, Eric Horst	7.050	300	17.00	B,D	328,500

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51	**Fisherman's Grotto No. 9** San Francisco, 1935 Nino Geraldi	$7.000	500	20.00	L,D	310,000
52	**Junior's** Brooklyn, N.Y., 1950 Walter Rosen, Marvin Rosen	7.000	500	14.00	B,L,D	912,500
53	**Le Bernardin** New York, 1986 Maguy LeCoze, Gilbert LeCoze	7.000	120	68.00	L,D	96,000
54	**15th Street Fisheries** Fort Lauderdale, Fla., 1979 Michael Hurst	6.900**	320	30.00	L,D	220,000
55	**Gibby's Steaks & Seafood** Fort Lauderdale, Fla., 1978 Donald Hersh, Steven Hersh	6.868	600	21.82	L,D	337,633
56	**Manhattan Ocean Club** New York, 1984 Alan Stillman (New York Restaurant Group)	6.808	220	55.00	L,D	121,559
57	**Ditka's** Chicago, 1986 M. Ditka, E. Pontillo, J. Vainisi	6.800*	300	30.00	L,D	125,000
58	**Longhi's Cafe** Lahaina, Hawaii, 1976 Robert J. Longhi, Peter L. Longhi	6.721	225	37.00	B,L,D	364,000
59	**Allgauer's Fireside Restaurant** Northbrook, Ill., 1974 Frank Allgauer	6.700**	1,100	20.00	B,L,D	235,000
60	**Lawry's California Center** Los Angeles, 1970 Thomas J. Lipton Co.	6.628	1,000	17.71	L,D	490,328
61	**John Dominis** Honolulu, 1979 Dominis G. Anderson	6.573	280	55.40	D	121,000
62	**Montgomery Inn** Montgomery, Ohio, 1951 Ted Gregory Family	6.483	400	15.00	L,D	550,000
63	**Water's Edge** Long Island City, N.Y., 1984 Marika Somerstein, Stuart Somerstein	6.438	500	50.00	L,D	NA
64	**Pacific Dining Car** Los Angeles, 1921 Wesley Idol II	6.407	185	42.50	B,L,D	246,010
65	**Grand Central Oyster Bar** New York, 1910 Jerome Brody	6.385	500	26.17	L,D	337,500
66	**Knickers Restaurant** Des Plaines, Ill., 1982 Nicholas Mitchell	6.340	1,250	21.75	L,D	365,000
67	**The River Cafe** Brooklyn, N.Y., 1977 Michael D. O'Keeffe	6.317	125	82.00	L,D	79,978
68	**Broadway Deli** Santa Monica, Calif., 1990 Michel Richard, Bruce Marder, Marvin Zeidler	6.300	200	15.00	B,L,D	365,000
69	**Bub City Crabshack & Bar B.Q.** Chicago, 1989 Lettuce Entertain You Enterprises	6.300**	1,100	21.00	L,D	255,000
70	**Ben Benson's Steakhouse** New York, 1982 Ben Benson	6.250	250	54.60	L,D	129,800
71	**Brennan's** New Orleans, 1946 Owen Brennan	6.250**	500	55.00	B,L,D	240,000
72	**Tangier Restaurant** Akron, Ohio, 1954 Edward J. George	6.243	2,200	17.50	L,D	220,000
73	**Fishbones Rhythm Kitchen Cafe** Detroit, 1989 Ted Gatzaros, Jim Papas	6.149	300	20.00	L,D	292,000
74	**Yesterday's** Fort Lauderdale, Fla., 1975 Peter Goldhahn	6.122	400	30.00	D	220,00
75	**Canastel's** New York, 1985 Mark Packer, Frank Packer	6.100	250	35.00	L,D	100,000

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R&I TOP INDEPENDENTS

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76	**Gotham Bar & Grill** New York, 1984 J. Kretchmer, Robert Rathe, Richard Rathe, J. Bliss	$6.100	165	57.00	L,D	108,000
77	**Spago** West Hollywood, Calif., 1982 Wolfgang Puck, Barbara Lazaroff	6.100**	160	50.00	D	128,300
78	**Champps Americana** Minnetonka, Minn., 1990 Dean Vlahos	6.090	225	12.30	L,D	600,000
79	**Nashville Union Stock-Yard Restaurant** Nashville, Tenn., 1980, Buddy Killen	6.066	300	23.00	L,D	225,000
80	**Jimmy's** Beverly Hills, Calif., 1978 Jimmy Murphy	6.000	400	45.00	L,D	NA
81	**Junior's Restaurant** West Los Angeles, 1959 Marvin Saul, David Saul	6.000	236	7.25	B,L,D	550,000
82	**The Omega** Niles, Ill., 1984 G. Stavropoulos & Partners	6.000	400	6.00	B,L,D	1,100,000
83	**Louis Tambellini's** Pittsburgh, 1946 John Tambellini, Andrew Tambellini	6.000*	750	20.00	L,D	450,000
84	**Ralphie's Diner** Timonium, Md., 1989 Michael Pachino	6.000*	200	15.00	L,D	280,550
85	**Brennan's of Houston** Houston, 1967 Ella, Dick, Dottie & John Brennan	6.000**	350	45.00	L,D	NA
86	**Café des Artistes** New York, 1915 George Lang, Jenifer Lang	6.000**	110	50.00	L,D	124,000
87	**Mr. B's** New Orleans, 1979 Cindy Brennan, Ralph Brennan	6.000**	240	31.00	L,D	NA
88	**Union Oyster House** Boston, 1826 Joseph Milano, Mary Ann Milano, Mary Milano	5.858	620	17.00	L,D	441,000
89	**Salty's on Alki** Seattle, 1985 Happy Guest International	5.850	300	33.50	L,D	170,000
90	**Cafe Iguana** New York, 1987 Joyce Steins	5.800	300	23.00	B,L,D	171,080
91	**Market Street Grill** Salt Lake City, 1980 John Williams	5.782	299	19.95	B,L,D	379,818
92	**F. McLintocks Saloon & Dining House** Shell Beach, Calif., 1973, Bruce M. Breault, Tunny Ortali	5.750	367	16.35	L,D	300,000
93	**Chez Josef** Agawam, Mass., 1969 Allan Skole	5.714	1,800	33.47	B,L,D	171,890
94	**Hampshire House** Boston, 1969 Thomas Kershaw	5.698	500	28.00	L,D	254,800
95	**Carnegie Deli & Restaurant** New York, 1945 Milton Parker	5.645	166	14.00	B,L,D	NA
96	**Buckhead Diner** Atlanta, 1987 P. Karatassos, P. Albrecht, G. Klaskala, D. LaRosa	5.620	250	22.00	L,D	305,000
97	**Ray's Boathouse** Seattle, 1949 R. Wholers, J. Sikma, E. Gingrich, E. Lasher	5.606	240	30.00	L,D	110,128
98	**Mai Kai** Fort Lauderdale, Fla., 1956 Mireille Thornton	5.600	536	33.00	D	200,000
99	**Chateau Restaurant of Waltham** Waltham, Mass., 1938 Louis Nocera, Marianne Skerry	5.567	800	10.50	L,D	572,000
100	**Leona's on Sheffield** Chicago, 1950 Toia Family	5.550	300	12.00	L,D	880,000

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R&I's TOP 100

tomer loyalty, competition, the costs of doing business and the labor market.

While most say building business has been challenging, a sense of optimism comes through. "Even though business has been a bit slow, I feel good about our prospects," says Jimmy Murphy of Jimmy's, Beverly Hills, Calif. "Business isn't coming back in leaps and bounds, but I feel people's confidence gradually returning."

HONEST OPTIMISM

Top 100 operators' moods can be best described as ranging from deep concern to honest optimism.

"In my 22 years in the business, I've never seen such a severe mood swing in America's attitude toward dining out," says Jeff Ruby, co-owner of the upscale Waterfront restaurant, Covington, Ky. The Waterfront dropped from $11 million in sales in 1990 to $9.8 million in 1991.

"I'm facing the greatest challenges I've ever seen. Either you react to changing attitudes and massage your concept, or you retire," says Ruby. "The '80s was the decade of excess and the '90s will be the decade of the customer. Customer sovereignty will be greater than ever."

Ruby has wasted no time adjusting his concept. He has downscaled the lettering on the front of his menu, taken the dining-room captains out of tuxedos and into jackets, and the chefs out of trendy baseball caps into toques.

"Business is highly competitive as usual. Stronger operators will have an easier go in the next six months, while the economy takes its toll on weaker players."

—Alan Stillman, Smith & Wollensky, New York

Also, diners can find moderately priced roast chicken with mashed potatoes on the menu for the first time.

To take the edge off further, Ruby was going to add the name "Bar and Grill" to the restaurant. But the day the news became public, corporate clients started canceling reservations. He reversed his decision and took out a half-page ad in the local newspaper to clear up the confusion. "I realized my customer base has come to expect a certain level of skill and culinary depth," says Ruby. "Yet I must provide more mass appeal than ever before. So in matters of principle, I will stand like a rock. In matters of pace, I will swim with the current. That is what I have to do to survive today."

Murphy feels good about his prospects for the remainder of 1992. But he does have an enemy, and it isn't the economy. "State and local government restrictions are hurting me the most," he says. "The city council on a whim decides to ban cigarette smoking in restaurants. That is 20% of my business that I can't afford to lose."

In addition, Murphy faces numerous workers' compensation suits because of California's liberal labor laws. Still, he is optimistic. "It may take a few years to get back on track, but we will overcome these problems," Murphy says.

At Spenger's Fish Grotto, Berkeley, Calif., business is "pretty good," says owner Frank Spenger. "We have inexpensive prices and give large portions of quality food. People always go for that combination."

At Jimmy's, Murphy says a percentage of his customers who used to come in twice a week now come in once a week. "They may be going to lesser-priced restaurants that second time, or staying home altogether," Murphy says. "Some are saving us for special occasions now, while others don't want to appear as too affluent at this time and go to more casual, midscale restaurants." But Murphy adds that he expects business to pick up again when the economy picks up.

To increase takeout sales and his profile in the community, Spenger built a wooden kiosk in front of his restaurant and started selling from it a fish sandwich with coleslaw and french fries for $3.25. "People are waiting in line, and I'm starting to feel

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like McDonald's," Spenger jokes. "But once you get someone for a quick lunch, they start thinking about us when they make dinner plans."

The mood also is more upbeat at the Old Original Bookbinders in Philadelphia. "I've been down in the dumps about business until recently," says partner Albert Taxin. "Business is starting to pick up. The latest monthly numbers are better than the two previous years'."

Taxin says the city of Philadelphia is on the mend as well. The citizens like the new mayor, Edward Rendell, and are acting more optimistic. In addition, Taxin expects his business to benefit from the convention center scheduled to open in 1993. "The empire is saved," says an upbeat Taxin. "We are doing better. We have weathered the storm."

Before the turnaround, Bookbinders faced stiff competition from the likes of Morton's of Chicago and Ruth's Chris Steak House—both chains recently opened restaurants in the Philadelphia area. But unlike Ruby, Taxin didn't make any drastic changes.

"No matter who you are, people get tired of you after awhile," says Taxin. "I used to change the menu because I was tired of the food, not the customers. I learned to stick with what I have. The loyalty is there and customers are starting to come back."

CHANGING LOYALTY

Other operators haven't found this to be the case. "Is there such a thing as loyalty anymore?" laments Pano Karatassos of the Buckhead Diner, Atlanta. "I don't think there is. And I don't blame the people with all the choices out there today."

Karatassos says he still has some loyal customers, but they don't return as often as they used to. "Instead of once a week, now it's once a month. And the return factor at my fine-dining concepts is even worse."

Alan Stillman of Smith & Wollensky, New York, agrees. "Unless you are really good, there are so many choices today that the customer no longer needs you."

JoAnn Sawitz-Bass of Joe's Stone Crab, Miami Beach, Fla., contends loyalty remains strong among those who can still afford to eat out often and haven't been hit by the recession. "Some offices are cutting back on business meals, and we feel the loss," she says. "We've also had banks and two major airlines go out of business. We have felt that loss, too."

Sawitz-Bass, shown on this page with son Stephen Sawitz and daughter Jodi Hershey (r.), plans to compensate by taking better care of locals, for instance, seating them before tourists when there is a two-hour wait during the winter tourist season. "I want to remain a hometown restaurant. Our locals are our bread and butter."

"We cut costs 10% across the board and asked management to watch the overtime on labor. Consequently, we had our best year, even with the cuts."

—JoAnn Sawitz-Bass, Joe's Stone Crab, Miami Beach, Fla.

Recent publicity surrounding the safety of seafood also has helped sales, according to Spenger. "Our business has actually increased since all the publicity because people trust our product quality and preparation techniques," he says.

At Hilltop Steak House, the weak economy has helped create loyalty. "We are such a great value, a certain percentage of our customer base is coming in even more than before," says President and Chief Operating Officer Kevin Leary.

COSTS REMAIN MANAGEABLE

The cost of doing business, like the cost of living, is always going up. But food and labor costs currently are under control, operators say, and insurance expenses, with the exception of health care, are under control as well. Nonetheless, the excessive '80s are history, and every operator is looking for ways to trim the fat.

In September 1990, Sawitz-Bass

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called in her staff at Joe's Stone Crab to announce a 10% cut in expenses across the board, including advertising and public relations. She also asked management to cut overtime charges. Consequently, 1991 was her best year. "I found out if we really tried hard, we could trim some of the fat without really hurting ourselves."

Expenses went down at Bookbinders after the owners hired a chef who is also skilled as a kitchen manager. "The new chef has created a good working atmosphere in the kitchen," says Taxin. "It's no longer management against employees. People are working harder, as a team, and as a result, labor costs are down."

"To increase takeout sales and my profile in the community, I built a wooden kiosk and started selling a fish sandwich with coleslaw and french fries for $3.25. People are waiting in line and I'm starting to feel like McDonald's."

—Frank Spenger, Spenger's Fish Grotto, Berkeley, Calif.

LABOR POOL DEEPENS

With all the news about layoffs and rising unemployment rates, restaurant owners figured to benefit from a growing supply of job candidates. For the most part, this has not been the case because the quality of applicants has not matched the requirements of the job, especially for management positions. Top 100 operators add that good candidates know the restaurant business isn't a 9 to 5 business. Many potential applicants figure there is an easier way to make a dollar.

Murphy, however, disagrees with that outlook. He says young people, in California, at least, see many of their contemporaries making a good living in the foodservice industry. "As a result, we're attracting more quality people who want to make a career out the restaurant business."

Either way, Top 100 operators don't consider themselves faced by a labor crisis. For one, new-job prospects aren't as rosy, so top-of-the-line employees are staying where they are. "People are holding on to their jobs now more than ever. If a new place doesn't work out, they aren't so sure they'll have another place to hop to," says Stillman.

THE COMPETITION STRIKES

Back in the 1970s, when Karatassos was the king of the upscale market in Atlanta, he considered himself invincible. No one could copy what he did at Pano's & Paul's. Today, he is more like a prince. "Little did we know that the casual restaurants would be pulling business away from our fine-dining operations," Karatassos says.

Karatassos is now deeply entrenched in the casual market and, along with Peasant Group, still is a leading operator in Atlanta. In addition, some of the weaker competitors are falling by the wayside during this tough economic climate. But Karatassos knows the market is saturated and that people have choices. So for the first time, he says, he is working at things he took for granted in the past. "We have to work at uncovering new sources of business," he says.

These efforts include booking more private functions and catered events. His staff calls hotel concierges every day to court business. "We do anything and everything we can to get more than our share of business and hope we keep up with last year. It has been somewhat of a struggle as of late."

Sawitz-Bass agrees. The Art Deco district of Miami Beach, Fla., is attracting a lot of attention. "I can't keep up with all the restaurant openings," she says. "And some of them are mobbed. The atmosphere is very exciting, with a tremendous verve. But what will happen this summer when tourism dies down, I'm not sure.

"We all know about the industry's monstrous mortality rate," Sawitz-Bass adds. "The food will have to stay good. And in these times, prices must stay reasonable." R&I

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345 CONTAINER

The 54-oz. "Big Tub" has been introduced to the Del Pak plastic container line. Product is made of durable polyethylene plastic for bulk salad takeout. ***Reynolds Metals Co.***

346 BROCHURE

New 6-panel color brochure on the Waste Equipment Systems for the foodservice industry is available. Brochure includes information on the Mini Pupler, Self-Contained Waste Systems and Remote Systems. ***Hobart Corp.***

347 CONVECTION OVENS

A new series of convection ovens with electronic solid-state ignition is available. The oven saves energy by lighting the pilot light and turning it off at preset times, according to the manufacturer. All models feature the energy-saving Snorkel™ operation, which reuses energy that normally is exhausted up the flue. ***Vulcan-Hart Co.***

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